GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:7465
ANSWERED ON:15.05.2002
NON-RECOVERY OF AMOUNTS
RAGHUNATH JHA

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that the erstwhile department of Electronics has failed to safeguard the interest of the Government while sanctioning funds to the firm resulting in unintended benefit to them and non-recovery of Rs.40.25 lakh as has been brought out by the CAG in its Report No.5 of 2002 in paragraph 5.2;

(b) if so, the reaction of the Government thereto; and

(c) the steps taken by the Government to recover the money from the firms and to fix the responsibility and accuntability of the persons found guilty?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS AND COMMUNICATIONS & INFORMATION TECHNOLOGY(SHRI PRAMOD MAHAJAN)

(a),(b) and (c): The erstwhile Department of Eletronics has not sanctioned any funds to the firms cited in para 5.2 of the CAG Report No.5, 2002. Grant-in-aid of Rs.40.25 lakhs was given by DOE to the Central Electronics Engineering Research Institute (CEERI), Chennai which is a R&D laboratory under the Council of Scientific and Industrial Research (CSIR) towards retrofit automation for the paper industry. The firms had also provided matching financial contribution of Rs.50.00 lakhs for this purpose to CEERI, Chennai. The Grant-in-aid provided by DOE was towards underwriting the risk in promotion of indigenous technology. The firms, as eventual beneficiaries of the project outcome, had agreed to repay to DOE the amount provided by DOE to CEERI, Chennai after installation and satisfactory commissioning of the systems. The firms have so far not made the repayments to DOE, after installation and satisfactory commissioning of the systems, citing functional problems with the system and recession in the paper industry as reasons. The matter is being pursued with the firms.